(c) No damaged rice and wheat is sold by FCI for human consumption.

(d) The Expert Committee had examined a little over 50% stocks of sub-standard rice and reported that the samples have developed off-flavour and discolouration It is possible to remove off-flavour by up-gradation process and discolouration is a natural phenomenon in rice which appears due to prolonged storage

(e) Does not arise.

(f) Does not arise. The sale of sub-standard rice by tenders is undertaken as per the directions of Government. The successful tenderer has to up-grade rice stocks before sale for human consumption.

(g) The mode of disposal of these rice stocks will be decided after the final judgement of the Hon'ble Supreme Court is pronounced.

Import of sugar during 1994-95

920. SHRI KRISHNA KUMAR BIRLA. Will the Minister of FOOD be pleased to state:

(a) what is the total estimated quantity of sugar proposed to be imported by Government during 1994-95;

(b) what are the basis of sugar imports projection stating the annual rise in the sugar consumption in 1994 as compared to the consumption in 1993 and the estimated rise in demand in 1995;

(c) the price at which sugar is to be imported from the international market stating the foreign exchange involved; and

(d) how the domestic sugar prices are likely to fluctuate with the import of sugar?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) Government, during the financial year 1994-95, has so far imported a quantity of about 9.77 lakh tonnes through the State Trading Corporation of India Ltd. and the Minerals and Metals Trading Corporation Ltd. for distribution through the Public Distribution System.

(b) and (c) Further Government, with a view to ensure adequate availability of sugar for the Public Distribution System in the event of sugar production not coming up to the expected level, have allowed forward contracting for about 5 lakh tonnes of imported sugar for July, August & September, 95 deliveries. So far, a quantity of 3.63 lakh tonnes has been contracted by STC & MMTC at an average price of US dollar 428.25 per metric tonne C&FFO involving foreign exchange of US dollar 1554.53 lakhs.

(d) The impact of import of sugar on domestic sugar prices would be known only when actual import of sugar takes place.

Steps taken by FCI to enhance sorage capacity

921. SHRI G. Y. KRISHNAN: Will the Minister of FOOD be pleased to state:

(a) whether with a healthy rabi harvest, the country's grain inventory is likely to swell further;

(b) if so the estimated Government procurement for price support operations this season;

(c) whether any action has been initiated by the Food Corporation of India (FCI) to arrange for additional storage capacity particularly in the northern wheat growing States; if so, the outcome thereof;

(d) whether his Ministry and the FCI have locked horns over rabi procurement; if so the reasons therefor;

(e) how it is proposed to be resolved;

(f) how far the Centre is funding the procurement operations to meet PDS requirement for two years; and

(g) the cash incentives which the FCI proposed to exporters, low interest loans to traders and flour mills for purchase of wheat and liberal stock holding limits as a means to cut down storage cost of grains by Government agencies?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) Yes, Sir.

(b) As per preliminary estimates given by State Governments, the procurement of wheat during the ensuing 1995-96 Rabi Marketing season is likely to be about 130.00 lakh tonnes.

(c) Out of 27.3 million tonnes storage capacity with the Food Corporation of India, 15.6 million tonnes capacity exists in Northern wheat growing States and out of which 2 million tonnes space is vacant as on 1-2-95. Further about 1.5 million tonnes of CAP storage space would become available by custom Milling of paddy stocks before monosoon during rabi season for storing wheat purchased. Another 3 to 4 million tonnes of vacant storage space would be available by despaching foodgrains to other consuming States during procurement period April, 95 to June, 1995.

The field officers of FCI have been authorised to hire additional storage capacity of about 5 million tonnes in Northern States to meet the emergent situations.

(d) No, Sir.

(e) Does not arise.

(f) FCI and State Agencies avail of credit limit facilities from a consortium of Banks led by State Bank of India to incur the expenditure in procurement operations.

(g) The Bank Credit Policy is decided and reviewed by the Reserve Bank of India and Ministry of Finance. No cash incentives as such are given by the Ministry of Food or FCI.

Government have taken steps to liberalise foodgrains trade such as removal of restrictions on movement of foodgrains, abolition of limits of stock holding on wheat and rice and delicensing of wheat. It is expected that with these steps the net offer to Central Pool in procurement will be less thereby reducing the storage costs of F.C.I.

Free sale of rice and wheat by Food Corporation of India

922. SHRI S. S. AHLUWALIA: Will the Minister of FOOD be pleased to state:

(a) whether it is a fact that Government have entrusted Food Corporation of India (FCI) with the task of carrying out free sale of rice and wheat from its stock to purchasers in the wholesale market;

(b) if so procedure prescribed, if any, to be followed by FCI for such sale;

(c) period since when this sale of rice and wheat has been in vogue and quantities of rice and wheat sold to wholesale purchaser vis-a-vis the quantities earmarked, if any, for such sale during the current financial year;